

806 KAR 15:080. Paid-up life insurance policies.

RELATES TO: KRS 304.15-175

STATUTORY AUTHORITY: KRS 304.2-110(1), EO 2009-535

NECESSITY, FUNCTION, AND CONFORMITY: EO 2009-535, effective June 12, 2009, created the Department of Insurance headed by a Commissioner. KRS 304.2-110(1) authorizes the Executive Director of the Office of Insurance to promulgate administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code, KRS 304.1-010 through 304.99-152. This administrative regulation establishes standards for the submission of a notice of a paid-up life insurance policy by an insurer to the Department of Insurance. This administrative regulation also establishes the process for requesting information regarding a paid-up life insurance policy.

Section 1. Definitions. (1) "Commissioner" means the commissioner of the Department of Insurance.

(2) "Department" means the Department of Insurance.

(3) "Paid-up policy" means a whole life insurance policy under which all premiums have already been paid, with no further premium payment due, including a life insurance policy where the policy is in the reduced paid-up nonforfeiture option.

(4) "Universal life insurance" means a life insurance policy in which separately identified interest credits, other than in connection with dividend accumulations, premium deposit funds, or other supplementary accounts, and mortality and expense charges are made to the policy.

(5) "Variable life insurance" means a life insurance policy under which the death benefits and cash values vary in accordance with unit values of investments held in a separate account.

Section 2. Exemptions. This administrative regulation shall not apply to:

- (1) Annuities;
- (2) Credit life insurance;
- (3) Group life insurance;
- (4) Term life insurance;
- (5) Universal life insurance; and
- (6) Variable life insurance.

Section 3. Timeframe for Submission of Notice. Beginning August 30, 2008, and monthly thereafter, insurers shall provide notice to the Department, in accordance with Sections 4 and 5 of this administrative regulation, of all paid-up policies issued in Kentucky pursuant to KRS 304.15-175(1).

Section 4. Methods of Filing. Notice of a paid-up policy shall be submitted by an insurer to the Department electronically through eServices via the department's Web site, <http://insurance.ky.gov>.

Section 5. Information required on the Notice. (1) The following information regarding a paid-up policy shall be submitted to the department by an insurer:

- (a) The insurer's identification number assigned by the National Association of Insurance Commissioners;
- (b) The information required by KRS 304.15-175(1);
- (c) The name of the insured; and

- (d) The insured's date of birth.
- (2) The following information regarding a paid-up policy may be submitted to the department by an insurer:
 - (a) The policyholder's Social Security number;
 - (b) The policyholder's date of birth;
 - (c) The name of all of the beneficiaries named; and
 - (d) The relationship of the beneficiary to the policyholder.

Section 6. Request of Policy Information Requirements. (1) A request for information on a paid-up policy shall be made by submitting a Request for Paid-Up Policy Information, PUL-1, in writing to the Department. The request shall be made by one of the following individuals:

- (a) The policyholder;
 - (b) The beneficiary; or
 - (c) An individual with legal authority to obtain insurance-related information on the insured.
- (2) The written request shall include the following documentation:
- (a) If the insured is deceased:
 - 1. A certified copy of the death certificate for the insured; and
 - 2.a. Documentation identifying the requestor as a policyholder or beneficiary under the paid-up policy; or
 - b. A court order permitting the requestor to obtain insurance-related information on the insured.
 - (b) If the insured is not deceased:
 - 1. Documentation identifying the requestor as the policyholder; or
 - 2. A copy of the power of attorney allowing the requestor to obtain insurance-related information regarding the insured.

Section 7. Incorporated by Reference. (1) "Request for Paid-Up Policy Information, PUL-1", 7/2008, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department of Insurance, 215 West Main Street, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. This material is also available on the Department's internet Web site at: <http://insurance.ky.gov>. (35 Ky.R. 686; Am. 1471; eff. 1-5-2009; 36 Ky.R. 666; 1225; eff. 1-4-2010.)